

## Message Text

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 INR-05 CIAE-00 NSC-05 NSCE-00

PRS-01 SAJ-01 EB-03 SP-02 RSC-01 L-01 PM-03 SAM-01

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FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 4521

INFO AMEMBASSY ATHENS

AMEMBASSY BELGRADE

AMEMBASSY BERLIN

USMISSION BERLIN

AMEMBASSY BONN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

USMISSION GENEVA

AMEMBASSY LISBON

AMCONSUL LENINGRAD

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMCONSUL MUNICH

USMISSION NATO

C O N F I D E N T I A L SECTION 1 OF 2 MOSCOW 17186

LIMDIS

GENEVA FOR USDEL CSCE

E.O. 11652: GDS

TAGS: PFOR, UR

SUBJ: DETENTE AND THE "CRISIS OF CAPITALISM"

REF: MOSCOW 16044

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1. SUMMARY. EVERY RECENT INDICATION WE HAVE HAD, INCLUDING PRIVATE CONVERSATIONS, PRESS COMMENTARIES, AND TOP LEVEL SPEECHES, AS WELL AS THE SLOGANS DISPLAYED, PHOTOGRAPHS, AND THE GENERAL POMP AND PANOPLY SURROUNDING THE CELEBRATIONS OF THE 57TH ANNIVERSARY OF THE BOLSHEVIK REVOLUTION, ALL REINFORCE OUR CONVICTION THAT BREZHNEV REMAINS FIRMLY IN CONTROL AND THAT THERE IS NO SIGNIFICANT OPPOSITION TO HIS PERSONAL LEADERSHIP. FURTHERMORE, "POLICY OF PEACE" ADOPTED AT 24TH CPSU CONGRESS AND CONSEQUENT "RELAXATION OF TENSIONS" (I.E., DETENTE) HAVE BEEN MORE AND MORE CONNECTED WITH, AND SPECIFICALLY IDENTIFIED AS, GREAT PERSONAL CONTRIBUTION BY BREZHNEV. WE, THEREFORE, SEE NO BASIS FOR SUPPOSITIONS OF SOME ANALYSTS AND WESTERN NEWSMEN WHO SEEM TO BELIEVE THAT MOSCOW MAY BE IN PROCESS OF RECONSIDERING FUNDAMENTAL SUPPORT OF DETENTE POLICY IN THE LIGHT OF THE DIFFICULTIES ENCOUNTERED IN THE PURSUIT OF DETENTE AND THE "CRISIS OF CAPITALISM" WHICH THE WEST IS CURRENTLY UNDERGOING. ON THE CONTRARY, WE HAVE BEEN STRUCK REPEATEDLY BY THE RESTRAINED FASHION WITH WHICH THE SOVIETS TREAT THE LATTER THEME, WHICH IS OBVIOUS GRIST FOR THEIR PROPAGANDA MILL. OUR CONCLUSION IS THAT WHILE THE DEMISE OF THE WESTERN SYSTEM STILL REMAINS A LONG-RANGE MOSCOW GOAL, THE CURRENT AGING LEADERSHIP IN THE KREMLIN WOULD FAR PREFER DURING ITS REMAINING TENURE TO DEAL WITH A COMPARATIVELY STABLE WESTERN WORLD THAN ONE IN RELATIVE DISARRAY. END SUMMARY.

2. ALTHOUGH ASPECTS OF DETENTE PRESENT GRAVE PROBLEMS FOR MOSCOW, IT IS CLEAR THAT EVERY IMPORTANT SEGMENT OF THE SOVIET LEADERSHIP REGARDS IT AS HAVING BEEN A SUCCESS -- AS A POLICY WHICH MEETS THE SHORT-RANGE AS WELL AS THE LONG-RANGE AIMS OF THE USSR AND WHICH SERVES IT WELL NOT ONLY IN THE INTERNATIONAL ARENA BUT, EVEN MORE IMPORTANTLY, IN DEALING WITH ITS OWN PEOPLE AS WELL. AS THE SOVIETS SEE IT, THE OBJECTIVES OF THIS POLICY ARE (A) TO MODERNIZE THE SOVIET ECONOMY THROUGH INFUSION OF WESTERN CAPITAL AND TECHNOLOGY; CONFIDENTIAL

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(B) TO CURB THE ARMS RACE WHICH THE SOVIET UNION IS LESS CAPABLE THAN THE U.S. OF SUPPORTING; (C) TO DIVERT THE ENORMOUS RESOURCES NOW BEING DEVOTED TO THE PRODUCTION OF STRATEGIC WEAPONS TO THE CIVILIAN SECTOR AND EVEN TO SOME EXTENT, TO OTHER POSSIBLE MILITARY USES AS WELL; (D) THE CHINA FACTOR - TO PACIFY THE WESTERN BORDERS AND THUS TO AVOID THE NIGHTMARE POSSIBILITY OF HAVING TO DEAL WITH ENEMIES ON TWO FRONTS;

(E) TO OBTAIN A FINAL LEGITIMATIZATION OF THE SOVIET SYSTEM IN THE USSR AND EASTERN EUROPE BOTH INTERNATIONALLY AND WITHIN THE SOVIET UNION AS WELL; (F) TO ESTABLISH THE SOVIET UNION AS THE OTHER SUPERPOWER, EQUAL IN WEIGHT, PRESTIGE AND AUTHORITY WITH THE UNITED STATES; (G) TO TEMPER IN THE WEST THE PERCEIVED THREAT OF POSSIBLE SOVIET MILITARY ACTION AND THUS UNDERMINE THE UNITY OF THE UNITED STATES AND ITS ALLIES; AND (H) PERHAPS MOST IMPORTANT OF ALL, TO RAISE THE STANDARD OF LIVING OF THE SOVIET PEOPLE AND THUS HELP TO PRESERVE THE CURRENT SYSTEM OF GOVERNMENT OF THE USSR.

3. THE SOVIETS HAVE NOT HAD AS MANY IMMEDIATE PAYOFFS FROM DETENTE AS THEY HAD ORIGINALLY HOPED. THE U.S. IS DRAGGING, AND LARGE-SCALE ECONOMIC DEALS HAVE NOT MATERIALIZED AS QUICKLY AS EXPECTED. MOREOVER, DETENTE HAS MADE WESTERN PUBLIC OPINION A FAR MORE INFLUENTIAL ARBITER OF SOVIET INTERNAL POLICIES THAN WOULD HAVE SEEMED POSSIBLE SEVERAL YEARS AGO IN SUCH FIELDS AS EMIGRATION, RADIO JAMMING AND TREATMENT OF DISSIDENT WRITERS AND ARTISTS. DESPITE THIS, WE BELIEVE THAT THE SOVIETS REGARD THEMSELVES AS HAVING MOVED FORWARD POSITIVELY OVER THE PAST SEVERAL YEARS IN ACHIEVING THE SHORT-TERM AND LONG-TERM GOALS ENUMERATED ABOVE AND WE SEE LITTLE LIKELIHOOD OF MOSCOW DEVIATING FROM THE PATH OF DETENTE IN THE FORESEEABLE FUTURE.

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4. THE COMMITMENT OF THE MOSCOW LEADERSHIP TO A "RELAXATION OF TENSIONS," HOWEVER, DOES NOT IMPLY THAT THE SOVIETS WILL BE SUPINE, FAIL TO DEFEND WHAT THEY CONSIDER TO BE THEIR VITAL INTERESTS, OR REFRAIN FROM CAPITALIZING ON TARGETS OF OPPORTUNITY AS THEY CROP UP. THIS WILL BE PARTICULARLY TRUE IN THE MIDDLE EAST WHERE THE SOVIETS ARE COMMITTED TO SUPPORT THE ARAB CAUSE. NOR DOES IT  
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MEAN THAT THEY WILL FAIL TO SEE ADVANTAGES TO THEM IN THE WEAKENING OF THE WESTERN ALLIANCE OR IN POLITICAL DEVELOPMENTS SUCH AS THOSE WHICH HAVE TAKEN PLACE RECENTLY IN CYPRUS, GREECE OR PORTUGAL. WHILE IN MOST SENSES A WINDFALL FOR MOSCOW, NONE OF THESE OCCURRENCES WAS CAUSED BY SOVIET ACTION NOR HAS THERE BEEN ANY INCLINATION ON THE SOVIET PART TO SHY AWAY FROM THEIR DETENTE POLICY AS A RESULT OF THEM. ON THE CONTRARY, BOTH SUSLOV AND PONOMAREV NOTED RECENTLY THAT IT WAS UNDER CONDITIONS OF DETENTE THAT GOVERNMENT CHANGES IN BOTH PORTUGAL AND GREECE TOOK PLACE. BREZHNEV'S CURRENT DESIGN IS CLEARLY TO PRESENT DETENTE AS THE CORNERSTONE OF THE TRIUMPHANT FOREIGN POLICY WHICH WILL PRESUMABLY BE RATIFIED BY THE 25TH PARTY CONGRESS IN LATE 1975 OR REARLY 1976.

5. THE SOVIETS AIM FOR PARITY WITH THE UNITED STATES AND THIS TO THEM MEANS NOT ONLY STRATEGIC PARITY, BUT POLITICAL PARITY AS WELL. THEY WILL ATTEMPT TO PROFIT FROM OUR MISTAKES AND MISFORTUNES. BUT THE HALLMARK OF THE ENTIRE BREZHNEV DECADE IN SOVIET HISTORY

HAS BEEN CAUTION AND WE DO NOT BELIEVE THAT, BARRING MAJOR CHANGES IN THE WORLD SCENE, THIS LEADERSHIP WILL FOREGO WHAT IT CONSIDERS TO BE VERY SUCCESSFUL POLICIES IN ORDER TO REVERT TO COLD WAR STYLE ACTIVE PROBING FOR ADVANTAGE WHICH WOULD SOON STRETCH THE LIMITS OF OUR PATIENCE.

6. THIS IS TRUE NOT ONLY IN THE POLITICAL ARENA, BUT IN THE ECONOMIC SPHERE AS WELL. AS WE HAVE NOTED ELSEWHERE, THE WEST'S CURRENT ECONOMIC TROUBLES CONTAIN THE SEEDS OF MANY POTENTIAL PROBLEMS FOR THE USSR AND THE SOVIETS ARE KEENLY AWARE OF THIS (MOSCOW 16044). BOTH THEIR RISING PRICE OF FOREIGN-MADE MACHINERY AND THE NARROWING CAPABILITY OF THE WEST TO SUPPLY AGRICULTURAL PRODUCTS AND INDUSTRIAL GOODS COMPLICATE ECONOMIC PLANNING AND PRESENT THE SOVIETS WITH LEGITIMATE QUESTIONS AS TO THE EXTENT TO WHICH THE WEST WILL REMAIN WILLING AND ABLE TO PARTICIPATE IN LARGE-SCALE LONG-TERM ECONOMIC COOPERATION. NEVERTHELESS, THE SOVIETS HAVE DEMONSTRABLY REFRAINED FROM ATTEMPTING

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TO CAPITALIZE ON SHORT-TERM WESTERN ECONOMIC DIFFICULTIES. SOVIET OIL, FOR EXAMPLE, CONTINUED TO FLOW TO REFINERIES IN WESTERN EUROPE DURING LAST YEAR'S EMBARGO.

7. NOR HAS MOSCOW BEEN ANYTHING OTHER THAN CAUTIOUS IN ITS ADVICE TO THE SOUTHERN EUROPEAN COMMUNIST PARTIES WHO ARE NOW BEGINNING TO SMELL THE AROMA OF POWER. A WELL-CONNECTED ITALIAN JOURNALIST BASED HERE HAS, FOR EXAMPLE, TOLD US THAT PONOMAREV HAS COUNSELLED THE PCI TO STAY OUT OF ANY COALITION GOVERNMENT. THE VISIT TO MOSCOW OF PORTUGUESE PARTY CHIEF CUNHAL WAS HANDLED ALMOST ENTIRELY IN THE ECONOMIC SPHERE. IN FACT, A LENINGRAD LECTURER RECENTLY EMPHASIZED THAT CUNHAL WAS NOT OPPOSED TO PORTUGAL'S NATO MEMBERSHIP AND SAID THAT COSTA GOMEZ'S VISIT TO THE UNITED STATES HAD THE SANCTION OF THE PORTUGUESE COMMUNISTS.

8. IN SUM, WHILE THE SOVIETS UNDOUBTEDLY SEE ADVANTAGES TO BE GAINED FOR THEMSELVES FROM THE WEST'S CURRENT PROBLEMS, THEY DO NOT REGARD ALL OF OUR MINUSES AS PLUSES FOR THEM EVEN WHERE THEY SEE CLEAR OPPORTUNITIES FOR GAIN, WE WOULD EXPECT THEM TO MOVE WITH CAUTION AND TO STOP WELL SHORT OF PROVOKING A WESTERN REACTION WHICH COULD IMPERIL THE LARGER OBJECTIVES OF THEIR DETENTE POLICY -- A POLICY WHICH MEETS THEIR BASIC NEEDS NOT ONLY EXTERNALLY, BUT INTERNALLY AS WELL.

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